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4500 E. Maderos Del Cuenta
Paradise Valley, AZ 85253

May 4, 2008

Arizona Corporation Commission

DOCKETED

MAY -6 2008

Chairman Mike Gleason
Arizona Corporation Commission
120 W. Washington
Phoenix, AZ 85007

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RE: Docket#

W-01303A-05-0405

W-01303A-05-0910

Dear Chairman Gleason:

I am writing to you in reference to the reconsideration of Decision No. 68858 that will be on the ACC May 15th agenda.

I am writing to ask you to consider approval of a new rate design for Arizona American Water. The existing rate design has created a situation of inequality whereby a small percentage of the residents and half of the resorts are penalized into funding new infrastructure that will benefit the entire area. In addition, the rate schedule provides for funding to be garnered within a 5 year time frame, instead of a more equitable time period of 40 years (average lifetime of infrastructure).

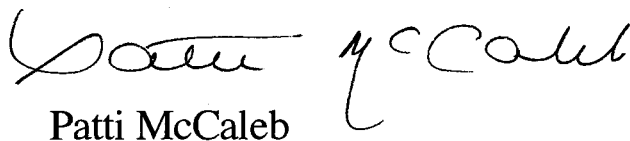
It appears that most of the town residents are sincere in safeguarding water reserves and doing what they can to promote conservation. We are seeing more and more xeriscape approaches to landscape and removal of non-indigenous plant materials. However, the issue of the rate structure is public safety via fire flow, not conservation. In fact, fire flow safety is compromised under the existing rate design.

The necessary infrastructure is funded through the water bills, however due to the high block surcharge, funding is delayed as residents are cutting back on water usage.

I urge you to consider supporting spreading the cost recuperation period over a more realistic time frame of 35-40 years, as well as including all AAW residents and all AAW resorts, including those resorts that are not yet functional (i.e. Montelucia, Mountain Shadows and Ritz Carlton). Additionally, my request to you is to consider removal of the high block surcharge, inasmuch as spreading the costs over a greater percentage of the population, the resorts, and a longer time period would make up any loss in revenue.

Thank you for your consideration in this matter.

Sincerely,


Patti McCaleb